

REDMOND PLANNING COMMISSION MINUTES

May 30, 2007

COMMISSIONERS PRESENT: Chairperson Petitpas, Commissioners Querry, Snodgrass, Parnell, Hinman

STAFF PRESENT: Lori Peckol, Jayme Jonas, Sarah Stiteler, Rob Odle, Redmond Planning Department; Joel Pfundt, Public Works Department

RECORDING SECRETARY: Gerry Lindsay

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Chairperson Petitpas in the Council Chambers at City Hall.

APPROVAL OF THE AGENDA

There were no changes to the agenda.

ITEMS FROM THE AUDIENCE

Lee Madrid, 11 SE Redmond Way, spoke on behalf of the Woodbridge Community, noting that the Taylor Amendment zoning changes would affect areas adjacent to the community. Although the community homeowners are generally in agreement with the amendment, they are mainly concerned with the potential increased traffic, especially on 188th Avenue. Mr. Madrid said he met with Sarah Stiteler and Don Cairns to discuss long-range traffic planning for the area and was grateful for their help. He suggested the city should consider notifying communities regarding the proposed zoning change so that the people can determine how it will affect the future of their neighborhoods. He said he plans to continue attending the Council meetings and would like to stay in contact with the staff. He thanked the Commission for giving him time to look over the amendment on behalf of his community.

Commissioner Querry asked what comments the community had made. Mr. Madrid said that because 188th Avenue serves Genie Industries and Cadman, the community already has issues with there being a lot of freight traffic. The main concern is that a membership warehouse would increase the amount of trucks on the road. The other concerns were in regard to increased car traffic, garbage accumulation, noise pollution, potential residential zoning on the east side of 188th and possible changes to housing codes.

Commissioner Snodgrass thanked Mr. Madrid for his time and effort in crafting detailed public input. Commissioner Snodgrass asked staff when the first opportunity for public participation in a development agreement will be, and Lori Peckol said the main purpose of the public hearing is for the public to give their comments and is the first official

opportunity of the community to do so. Ms. Stiteler added that the staff works informally with the community for input throughout the process.

PUBLIC HEARING AND STUDY SESSION

■ Overlake Neighborhood Plan Update, and Group Health Request for Development Guide Amendment

Ms. Peckol gave an introduction of the Overlake Neighborhood Plan Update, explaining the purpose and key features. She said the amendment includes policies and regulations as well as a proposed master plan and implementation strategy that sets out a coordinated framework for bringing together land use, parks and open space, and transportation strategies through a multi-year implementation strategy.

Joel Pfundt presented the Transportation Plan and the elements involved. He listed specific proposed transportation projects for the bicycle and pedestrian network, parking management, roadways, transit, and transportation demand management. He talked about proposed transportation projects in the Action Alternative for transportation performance and said the plan enables the efficient use of existing and planned transportation systems, and enables successful implementation of the Overlake land use plan. He said access management and intelligent transportation systems would also make the system work more efficiently. The Sound Transit II package has been approved by the Sound Transit Board and will go to the voters in November. Sound Transit also plans to publish a Draft Environmental Impact Statement in 2008.

Ms. Peckol said this is the first phase of policy and regulatory amendments. The second phase will reflect updated agreements between Redmond and Bellevue, update the SEPA Planned Action, and carry out additional updates to functional plans for transportation, parks, and other facilities. Additional regulatory and potential policy amendments are anticipated as part of the second phase.

Commissioner Hinman asked if the Action Alternative would raise the current level of traffic and if traffic would actually be worse without the Action Alternative. Mr. Pfundt answered that the amount of traffic is similar either way, but the Action Alternative would create a more sustainable and long-term way to travel in and through the area.

Commissioner Snodgrass asked if Redmond shares its transportation models and if there is access to Bellevue's Bel-Red corridor updates. Mr. Pfundt allowed that the modeling work is shared. He added that the analysis and assumptions differ by city, but there is regular ongoing joint modeling work.

Commissioner Snodgrass asked if the level of traffic in Bellevue is equivalent to Redmond such that the policy can be transposed into each city's model. Mr. Pfundt answered that from a transportation planning and analysis perspective, the two should work well together.

Commissioner Parnell asked if there is a plan for potential on/off ramps at 132nd Avenue NE. Mr. Pfundt said there is no plan to have on/off ramps at that location. However, in the Bel-Red corridor study the other half of the interchange at 124th Avenue NE is included.

Larry Martin, 15730 NE 134th Street, spoke on behalf of Group Health, 777 108th Avenue NE, Bellevue. Mr. Martin said he is part of a planning team assembled by Group Health to redevelop a 28-acre site in the heart of Overlake. He said Group Health intends to move away from inpatient hospital care and to partner with other major existing hospitals to focus on delivery of services through outpatient treatment centers. One of these centers will be in Redmond as part of the River Park project, and another will be in Bellevue next to Overlake Hospital. He said the planning team for the Group Health Overlake property is focused on creating a vital, mixed-use, walking community, oriented toward transit service on the Overlake site. The Trammel Crow Company (TCC) is the primary real estate advisor and development member of the team. Phil Wood, head of TCC real estate development for the state of Washington, is the team leader. The team has turned to RTKL as an urban planning design firm to help with the logistics of creating the walking community.

Paul Shaw, 8411 Bluebonnet Road, Dallas, Texas, spoke on behalf of RTKL. He shared examples of potential types of development on the site under Group Health's requested policy and regulatory amendments and talked about land use, retail, public parks, parking structures, and the street hierarchy. He showed examples of architecture, open spaces for gatherings, and transit options.

Commissioner Snodgrass suggested the Planning Commission set aside a meeting to discuss the Group Health proposal

Todd Woosley, a land use consultant with Hal Woosley Properties and a representative of the premier real estate associations for residential and commercial, spoke on behalf of P. S. Business Parks and their effort to restore some business uses in what is now the RC zone. He said P. S. Business Parks is supportive overall of the long-range vision for the Overlake Neighborhood but has a few concerns about the interim impacts on existing properties and businesses. He said there are some regulations that need to be refined and enforced. In an extensive comment letter for the Draft Supplemental Environmental Impact, P. S. Business Parks has specifically requested that the city restore some of the uses to the RC zone in the Overlake Neighborhood consistent with the goal to maintain and enhance the Employment Area and the city's goals in the Comprehensive Plan Economic Vitality element. P. S. Business Parks is requesting a policy update that would allow businesses to locate in vacant spaces and stay or expand, which is currently prohibited to a degree at the Overlake Business Center. The economic development measure would improve the vibrancy and quality along 152nd Avenue NE in the interim. The Planning Commission and the city should be mindful of the interim impacts.

Continuing, Mr. Woosley added that P. S. Business Parks has an opinion that differs from staff relative to the first and second paragraphs in item 15 of the issues matrix. Although

the current uses increase the vitality of the area, by restoring some of the uses from the business park the property would be enhanced by providing higher quality tenants and physical facilities while still operating as a business park. By allowing some of the uses from the business park, opportunities could be created for advanced technology research and development types of businesses. The city should not inhibit going concerns and should support the adopted economic development policies both in the proposal and in the economic element of the Comprehensive Plan. Having a more vital center can improve the likelihood of redevelopment and could accelerate it because the cost basis in the ownership of the property is less.

Commissioner Snodgrass thanked Mr. Woosley for the detailed letter submitted April 23 and suggested he submit another letter for review that is more concise and has specific proposals on how to address the issues. Mr. Woosley agreed to do that.

Coby Holley, 14320 NW Meadowridge Drive, Portland, Oregon, spoke on behalf of P. S. Business Parks of which he is the vice president. He said the company is publicly traded and has recently acquired Overlake Business Center, which is bordered by NE 24th Street, 152nd Avenue NE and SR-520. The Business Center was purchased with the intent to own and operate the business park in its current configuration until the issues of light rail transportation and infrastructure funding are resolved, and until the market demand supports redevelopment. P. S. Business Parks would ultimately like to transform the business park into an urban area, but in the interim it will be important to allow existing uses and businesses to evolve. P. S. Business Parks has requested that the city adopt a cooperative approach to protecting and enhancing the economic viability of the existing land uses by allowing small to medium size businesses to locate at Overlake Business Center. Specifically, the request is that all currently permitted uses be retained, and that all permitted uses under the previous zoning that represent business types with viable market demand be restored. Without allowing these additional uses, many small and medium size businesses could be driven out because of the limited uses currently allowed. Some specific examples of uses that were previously allowed are software office and development uses, hardware and construction companies, and any general office use that would typically be permitted in a business park zone.

Commissioner Parnell asked if acquiring business parks are part of the company's core business or if this is one component of the business. Mr. Holley said the core business of the company is business parks; the company owns 20 million square feet of similar product throughout the United States but is just venturing into the Seattle Metropolitan area.

Commissioner Parnell asked if the company has been through the Comprehensive Plan process before. Mr. Holley said the proposal represents a unique challenge in that similar regulatory challenges have not been a factor with other business parks. He said the company knew about the challenges going into the project and was aware it would have opportunity to play a role in defining the future of the Overlake Village area.

Daryl Reichstein, 1219 5th Place, Kirkland, also spoke on behalf of PS Business Parks and said he is the senior property manager for the Overlake Business Center. Mr. Reichstein said the current zoning makes it difficult for the business park to operate as a whole. Finding the types of customers that fit the allowed uses has been the greatest challenge. The key to success is tenant retention and attracting new customers to fill vacancies. However new business is being turned away because they are not allowed under the current zoning. Some of the tenants are looking to other cities. He said a marketing company tenant is being evicted because the City of Redmond determined the business is not allowed in the RC zone. The city should reconsider the uses allowed in the zone.

Scott Coombs, 9035 NE 28th Street, Bellevue, spoke as executive vice president for the commercial real estate brokerage company GVA Kidder Matthews. He voiced support for the request to expand the number of permitted uses in the RC zone. All vibrant communities allow for a diverse mix of business types and sizes. Strong communities need adequate zoning to accommodate numerous vendors, consultants and suppliers. These diverse companies provide a vital role in the success of the largest suppliers while providing healthy diversification of the local workforce. The business park zone provides the needed incubator space for start-up companies, and that is crucial to the longevity and future vitality of the business community. Start-up companies initially look for small spaces with affordable rent, and as they grow larger are usually inclined to expand rather than relocate to accommodate their employee base. The residential community benefits from close proximity to business parks. Residents want services and amenities located as conveniently as possible, and a lack of business variety has an impact on nearby housing communities. The zoning change has significantly impacted the viability of the business park properties, and the existing uses are not likely to return to the area if they are not able to be successful. Developers are not likely to continue to develop similar products due to the high land values and costs of constructing the individual units.

Chairperson Petitpas asked what the vacancy rate is in other business parks in Redmond. Mr. Coombs answered that generally it is less than ten percent for all product types, but added that the rate in the incubator category is less. He said the demand is high and there are few options.

Carol Helland, 2626 181st Avenue NE, Redmond, suggested that the development-enabling actions the Commission is being asked to take are premature. For one thing, the Viewpoint neighborhood is not involved in the process. Notification for the proposed plan was not broadly disseminated to Viewpoint neighborhood residents, even though there are homeowners associations that could have been contacted with the information. The transportation analysis did not include any of the intersections that are east of 156th Avenue NE or along the NE 24th Street corridor, which is a prime corridor for the Viewpoint neighborhood to exit. The Commission is being asked to take action on the plan without appropriate governors in place. There is no financing plan to say how the improvements will be built. She questioned entitling four million square feet of development without ensuring that there is some phasing in place to insure the

development will not get ahead of the transportation capacity. The Overlake neighborhood and Viewpoint neighborhood processes should be better synchronized so that there can be an understanding of the impacts of both at the same time. She added that King County Metro has been making service reductions to the Viewpoint area, which is unacceptable in light of the kind of development that will be seen in Overlake.

Austin Khan spoke on behalf of OTO Development, a national hotel development firm that works with Hyatt, Starwood, Hilton and Marriot. He said the company would like to bring a new hotel property to the Overlake area. With the expected job growth, expansion of office space in the area and the vision for the city to have the employment base in Overlake continue to strengthen and grow, hotels will be a key support component for the businesses there. OTO is in negotiations with the property owner at 3040 148th Avenue NE; the site was selected because of its proximity to Microsoft, Nintendo and Honeywell, and because the traffic impacts may be minimized by being close to the corporate campuses. The average age of hotels currently in the area is 17 years, and all are on the Bellevue side of 148th Avenue NE. OTO would like to be on the Redmond side providing a modern and contemporary hotel serving the tech-savvy business travelers who typically visit the Microsoft, Nintendo and Honeywell campuses. The challenges OTO is facing are the development capacity caps currently in place and the FAR allowed in the RC zone, which is the zoning for the site OTO is considering. Typically, a hotel developer can work with an FAR of 0.4 to 0.75 and still be able to properly develop, construct and manage a hotel property; however, in Redmond under RC zoning a hotel developer must operate with an FAR of between 0.36 and 0.41 including transfer of development rights. That allows for a hotel use but does not allow a developer to move forward with any substance or quality due to the limitation of the total amount of square footage allowed. OTO would like the Commission to consider increasing the FAR for hotels by analyzing the amount of traffic generation for hotels versus other types of retail uses that are permitted in that area.

Commissioner Querry asked what FAR number OTO is seeking. Mr. Khan answered that for a hotel development to be possible in the area, an FAR of 1.25 to 1.5 is needed.

Commissioner Parnell questioned such a large increase in the allowed FAR. Mr. Khan said that an operator can get by with an FAR of 0.4 to 0.75, but in an urban area the number needs to be two to three times that much in order to make economic sense.

Commissioner Snodgrass suggested that OTO look at the proposed regulations for the Overlake plan to see what FAR bonuses would be available and if they would make a difference.

Darlene Sobieck, 18104 NE 28th Street, Redmond, voiced concern with the traffic increase that would result from adding 4600 multifamily units to the Overlake area. She urged the Commission to have a traffic plan clearly in place because the impacts reach past Overlake east to the Viewpoint neighborhood and down to Lake Sammamish.

There were no additional speakers. Chairperson Petitpas left the public hearing open.

Ms. Peckol added that written comments from the City of Bellevue, Patrick and Fay Cawley, Eric Godo, and Herb Bentley had been received.

Commissioner Hinman asked about the process of notifying the Viewpoint residents and noted that notification of issues seem to be growing. Ms. Peckol replied that over the past year and a half for the Overlake Neighborhood Plan there has been a design work shop and two open houses in addition to the public hearing just held. She said mailed notices were sent to all residents, property owners and business owners in the Overlake and the Grasslawn neighborhoods. There was also a general mailing to anyone interested in planning issues, which included addresses in Viewpoint. Notice was provided through newspapers and the City's web site, Focus on Redmond, RCTV, and there was some press coverage in the Redmond Reporter. In addition, major employers in the area disseminated the information through their intranets. Mailed notices were not sent to specific addresses in the entire Viewpoint neighborhood since most of the anticipated impacts were in Overlake and Grasslawn. However, information could be given to the residents on the Citizen's Advisory Committee for the Viewpoint Neighborhood Plan Update so they can spread the word through their neighborhood. Ms. Peckol added that staff does not have homeowner association information on file because of the large amount of resources needed to keep such information correct.

STUDY SESSION

■ Taylor Development Guide Amendment

Regarding issue three on the issues table, Commissioner Querry asked if the D1 definition has been run by an attorney to verify that it would exclude retail stores such as REI and PCC that offer memberships and provide discounts. Rob Odle replied that staff is comfortable the definition excludes those types of stores but will run it by an attorney if that is the recommendation of the Commission.

The Commission agreed provisionally to accept the definition in exhibit D1 over the original definition in exhibit D, providing that it be reviewed by an attorney.

Chairperson Petitpas closed issue three.

Regarding the wording of the development agreement in issue six, Commissioner Parnell suggested adding "...annexation and regional planning..." and "...human services element...."

Commissioner Snodgrass suggested the development agreement should address mitigating impacts on adjoining or nearby residential areas. He also suggested that prior to such a use there should be at least one neighborhood meeting with notification to all residences within 1000 feet of the property.

Commissioner Hinman asked where in the process the neighborhood meeting would take place. Mr. Odle explained that with a development agreement, staff goes to the City Council and requests a call for a public hearing, which can be conducted 30 days after the call. He suggested the neighborhood meeting should be conducted before the call for a public hearing is made.

After the Commission discussed various wordings, there was agreement to adopt the proposal of Mr. Odle to have the development agreement read: "The development agreement shall address impacts beyond those normally associated with manufacturing park uses accruing to adjacent properties and neighborhoods. In addition, a neighborhood meeting shall be conducted by the applicant in addition to and prior to staff requesting the calling of a public hearing meeting. Notice of this meeting shall be sent to all properties and residences within 1000 feet and any homeowners associations adjacent to the MP zone."

Chairperson Petitpas closed issues six and eight.

Commissioner Parnell suggested an addition to the footnote to clarify that any development of the use would follow the general commercial development standards.

Commissioner Querry voiced a concern over spot zoning and held that the MP zone should be looked at holistically. She said she would vote against the motion because it represents the wrong process for changing the zoning.

Commissioner Snodgrass agreed that the entire MP zone should be reexamined. He added, however, that the general language proposed avoids the spot zoning issue.

Motion to extend the meeting was made by Commissioner Querry; second was by Chairperson Petitpas and the motion carried unanimously.

Chairperson Petitpas noted that the reexamination of the MP zone as a whole is on the top of the list for discussion in the 2008 work plan.

Motion to adopt the proposal with the discussed amendments, subject to a review of staff's proposed language, was made by Commissioner Snodgrass; second was by Commissioner Hinman. The motion carried 3-2 with Commissioners Hinman, Snodgrass, and Petitpas voting for, and Commissioners Querry and Parnell voting against.

Ms. Stiteler asked the Commissioners to email her with any additional comments as soon as possible.

Motion to delegate the authority to review staff's final proposal to Chairperson Petitpas and sign off on it if she believes it incorporates the wishes of the majority was made by Commissioner Snodgrass; second was by Commissioner Querry, and the motion carried unanimously.

Commissioner Parnell volunteered to draft a minority report.

REPORTS/OTHER DISCUSSION TOPICS

Ms. Stiteler reported that at the May 29 City Council study session the Council accepted the explanatory statements for the parks and public safety levy and formally appointed committee members to the pro and con committees. No one stepped forward contrary to the proposal. Three representatives from parks and public safety have been identified. There was also a discussion of the transportation improvement program; the TIP will be available for public review June 5 and there will be a hearing for it on June 19 with adoption scheduled for July 3.

SCHEDULING/TOPICS FOR NEXT MEETING(S)

ADJOURN

Chairperson Petitpas adjourned the meeting at 10:07 p.m.

Minutes Approved On:

Recording Secretary